



Advising the Congress on Medicare issues

Physician resource use measurement

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Overview

- MIPPA physician feedback mandate
- CMS pilot
- Guiding policy principles
- Releasing Medicare claims
- Data analysis results

The Congress and CMS have acted on MedPAC recommendation

- The Commission has recommended that Medicare measure physician resource use and share results with physicians in a confidential manner
- MIPPA enacted this recommendation
- CMS has begun to test a confidential physician feedback program

MIPPA grants the Secretary the flexibility to choose to:

- Use other data in addition to claims
- Provide feedback to physician groups
- Include feedback on the quality of care
- Measure resources
 - per episode,
 - per capita,
 - or both
- Adjust data for beneficiaries' health status and other characteristics

MIPPA also grants the Secretary the flexibility to focus the program on:

- Specialties that account for a significant share of Medicare spending,
- Physicians who treat high cost or high volume (or both) conditions,
- Physicians who use a high amount of resources compared to other physicians (outliers),
- Physicians practicing in certain geographic areas, and
- Physicians who treat at least a certain number of beneficiaries.

CMS piloting physician feedback

- Resource Use Report (RUR) pilot tests several different characteristics of the measurement methodology and feedback format
- Feedback to a large sample of physicians + 1-on-1 interviews with physicians
- Uses both per episode and per capita measurement
- Focuses on 4 acute and 4 chronic conditions

Policy principles for Medicare's physician resource use measurement program

- Transparent
- Actionable
- Risk adjusted
- Uses multiple measures
- Opportunity for physician input
- Feedback to outlier and non-outlier physicians
- Flexibility to address individual physicians and group practices
- Measurement will improve over time
- Outreach and education

Selected policy principles

- **Transparent**
 - program must use an open source method
- **Actionable**
 - feedback must provide detailed information
- **Uses multiple measures**
 - use both per capita and per episode
- **Opportunity for physician input**
 - physicians must be involved for a sustainable program
- **Outreach and education**
 - Medicare must explain feedback to physicians

Releasing Medicare claims data

- A recent court decision rules against Medicare release of physician-specific claims data
- Interest in releasing Medicare claims data to supplement private payers' physician measurement efforts
- Claims data release alone—without a mechanism to standardize measurement—would not align Medicare and private payer measurement results

Claims data release to measure physician resource use

- Release Medicare claims data with appropriate beneficiary privacy protection to entities
OR
- Create a claims data clearinghouse
 - entities send their claims
 - merged with Medicare claims
 - grouped into episodes using Medicare's methodology
 - entities receive:
 - the *results*
OR
 - the *results* + Medicare claims data

Data analysis results

- Physicians' efficiency scores are stable over time
 - Correlations range from 0.84 to 0.91
 - 94 percent of outliers in first year remain outliers in second year
- Single and multiple attribution methods have tradeoffs
 - Physician efficiency scores are similar regardless of attribution method
 - Selection can be based on qualitative policy considerations

Conclusions

- MedPAC has recommended that Medicare develop a physician resource use measurement program
- CMS is piloting physician measurement and feedback to explore issues, so now is an opportune time to discuss guiding policy principles
- Sharing Medicare claims data raises various issues
- We find that physicians' efficiency scores are stable year to year
- There are policy tradeoffs between using single and multiple attribution, but both yield similar results

Discussion questions

- What policy principles should guide the physician feedback program?
- Is there a policy direction for Medicare claims data sharing?
- Are there technical questions on the data analysis results?